

SERFF Tracking Number: HNLI-127341936 State: California
Filing Company: Health Net Life Insurance Company State Tracking Number: PF-2011-01507
Company Tracking Number:
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005A Individual - Preferred Provider
(PPO)
Product Name: Salud IFP PPO Rates Effective October 1, 2011
Project Name/Number: /

Filing at a Glance

Company: Health Net Life Insurance Company

Product Name: Salud IFP PPO Rates Effective October 1, 2011 SERFF Tr Num: HNLI-127341936 State: California

TOI: H16I Individual Health - Major Medical

SERFF Status: Assigned

State Tr Num: PF-2011-01507

Sub-TOI: H16I.005A Individual - Preferred
Provider (PPO)

Co Tr Num:

State Status:

Filing Type: Rate

Reviewer(s): Bruce Hinze, Angela
Jang, Sai-on Sam, Ali Zaker-
Shahrak, Wayne Thomas, Karl
Whitmarsh, Shelly Huang

Authors: Paul Sedgwick, Chantelle
Tice

Disposition Date:

Date Submitted: 07/27/2011

Disposition Status:

Implementation Date Requested: 10/01/2011

Implementation Date:

General Information

Project Name:

Status of Filing in Domicile:

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type: Individual

Overall Rate Impact:

Filing Status Changed: 07/27/2011

Deemer Date:

State Status Changed:

Submitted By: Chantelle Tice

Created By: Chantelle Tice

PPACA: Not PPACA-Related

Corresponding Filing Tracking Number:

PPACA Notes: null

Filing Description:

Salud IFP PPO Rates Effective October 1, 2011 in policy form P32301

Company and Contact

SERFF Tracking Number: HNLI-127341936 State: California
 Filing Company: Health Net Life Insurance Company State Tracking Number: PF-2011-01507
 Company Tracking Number:
 TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005A Individual - Preferred Provider (PPO)
 Product Name: Salud IFP PPO Rates Effective October 1, 2011
 Project Name/Number: /

Filing Contact Information

Paul Sedgwick, Director, Regulatory Compliance
 11971 Foundation Place
 Rancho Cordova, CA 95670
 Paul.D.Sedgwick@healthnet.com
 916-935-6623 [Phone]
 916-935-6623 [FAX]

Filing Company Information

Health Net Life Insurance Company
 11971 Foundation Place
 Rancho Cordova, CA 95670
 (916) 935-6622 ext. [Phone]
 CoCode: 66141
 Group Code:
 Group Name:
 FEIN Number: 73-0654885
 State of Domicile: California
 Company Type: L&H
 State ID Number:

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Health Net Life Insurance Company	\$0.00		

SERFF Tracking Number:	HNLI-127341936	State:	California
Filing Company:	Health Net Life Insurance Company	State Tracking Number:	PF-2011-01507
Company Tracking Number:			
TOI:	H16I Individual Health - Major Medical	Sub-TOI:	H16I.005A Individual - Preferred Provider (PPO)
Product Name:	Salud IFP PPO Rates Effective October 1, 2011		
Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:	Electronic
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Health Net Life Insurance Company	Increase	%	%				%	%
Product Type:	HMO	PPO	EPO	POS	HSA	HDHP	FFS	Other
Covered Lives:		612						
Policy Holders:		464						

SERFF Tracking Number:	HNLI-127341936	State:	California
Filing Company:	Health Net Life Insurance Company	State Tracking Number:	PF-2011-01507
Company Tracking Number:			
TOI:	H16I Individual Health - Major Medical	Sub-TOI:	H16I.005A Individual - Preferred Provider (PPO)
Product Name:	Salud IFP PPO Rates Effective October 1, 2011		
Project Name/Number:	/		

Rate Review Details

COMPANY:

Company Name:	Health Net Life Insurance Company
HHS Issuer Id:	00000
Product Names:	Salud IFP Rate Filing Effective October 1, 2011
Trend Factors:	

FORMS:

New Policy Forms:

Affected Forms:

Other Affected Forms:	P32301
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REQUESTED RATE CHANGE

INFORMATION:

Change Period:	Annual
Member Months:	9,411
Benefit Change:	Increase
Percent Change Requested:	Min: 10.0 Max: 10.0 Avg: 10.0

PRIOR RATE:

Total Earned Premium:	1,849,518.00
Total Incurred Claims:	1,502,254.00
Annual \$:	Min: 1,464.00 Max: 26,688.00 Avg: 2,358.00

REQUESTED RATE:

Projected Earned Premium:	1,447,071.00
Projected Incurred Claims:	1,219,344.00
Annual \$:	Min: 1,332.00 Max: 24,372.00 Avg: 2,364.00

SERFF Tracking Number: HNLI-127341936 State: California

Filing Company: Health Net Life Insurance Company State Tracking Number: PF-2011-01507

Company Tracking Number:

TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005A Individual - Preferred Provider (PPO)

Product Name: Salud IFP PPO Rates Effective October 1, 2011

Project Name/Number: /

Rate/Rule Schedule

Schedule Item Status:	Document Name:	Affected Form Numbers: (Separated with commas)	Rate Action:	Rate Action Information:	Attachments
	Salud IFP PPO Rates Effective Oct. 1, 2011	P32301	New		HN-CA Salud IFP PPO Annual Rates Ex1 2011-07-26 v1.pdf

HEALTH NET LIFE INS. CO.

Individual Salud PPO Plans

Exhibit 1.1

Rating Region 1

Los Angeles County with Zip Codes beginning with 906-912, 915, 917, 918, 935

Tier	Age	Proposed Annual Rates - Effective October 1, 2011 - Without Dental & Vision						Proposed Annual Rates - Effective October 1, 2011 - With Dental & Vision					
		Salud PPO			Salud PPO			Salud PPO			Salud PPO		
		15 NG	25 NG	15/25% NG	15 GF	25 GF	15/25% GF	15 NG	25 NG	15/25% NG	15 GF	25 GF	15/25% GF
Subscriber	< 1	3,636	3,144	2,544	3,240	2,652	2,196	3,936	3,444	2,844	3,540	2,952	2,496
	1 - 4	2,316	1,956	1,620	2,136	1,752	1,464	2,616	2,256	1,920	2,436	2,052	1,764
	5 - 18	2,280	1,896	1,584	2,136	1,752	1,464	2,580	2,196	1,884	2,436	2,052	1,764
	19 - 24	2,412	1,992	1,656	2,376	1,932	1,620	2,712	2,292	1,956	2,676	2,232	1,920
	25 - 29	2,424	1,992	1,668	2,376	1,932	1,620	2,724	2,292	1,968	2,676	2,232	1,920
	30 - 34	2,436	2,004	1,680	2,376	1,932	1,620	2,736	2,304	1,980	2,676	2,232	1,920
	35 - 39	2,436	2,004	1,680	2,376	1,932	1,620	2,736	2,304	1,980	2,676	2,232	1,920
	40 - 44	2,976	2,376	2,040	2,868	2,268	1,932	3,276	2,676	2,340	3,168	2,568	2,232
	45 - 49	3,852	2,976	2,556	3,732	2,844	2,436	4,152	3,276	2,856	4,032	3,144	2,736
	50 - 54	4,992	3,900	3,360	4,764	3,648	3,120	5,292	4,200	3,660	5,064	3,948	3,420
	55 - 59	7,080	5,460	4,728	6,888	5,256	4,536	7,380	5,760	5,028	7,188	5,556	4,836
	60 - 64	8,904	6,816	5,904	8,712	6,624	5,712	9,204	7,116	6,204	9,012	6,924	6,012
	65+	10,692	8,184	7,092	10,452	7,956	6,840	10,992	8,484	7,392	10,752	8,256	7,140
Sub & Spouse	19 - 24	4,824	3,984	3,324	4,800	3,924	3,252	5,424	4,584	3,924	5,400	4,524	3,852
	25 - 29	4,848	3,984	3,348	4,800	3,924	3,252	5,448	4,584	3,948	5,400	4,524	3,852
	30 - 34	4,884	4,008	3,372	4,800	3,924	3,252	5,484	4,608	3,972	5,400	4,524	3,852
	35 - 39	4,884	4,008	3,372	4,800	3,924	3,252	5,484	4,608	3,972	5,400	4,524	3,852
	40 - 44	5,964	4,752	4,092	5,772	4,560	3,924	6,564	5,352	4,692	6,372	5,160	4,524
	45 - 49	7,704	5,964	5,112	7,500	5,748	4,920	8,304	6,564	5,712	8,100	6,348	5,520
	50 - 54	9,996	7,812	6,732	9,552	7,332	6,276	10,596	8,412	7,332	10,152	7,932	6,876
	55 - 59	14,172	10,920	9,468	13,788	10,572	9,072	14,772	11,520	10,068	14,388	11,172	9,672
	60 - 64	17,820	13,644	11,820	17,448	13,284	11,436	18,420	14,244	12,420	18,048	13,884	12,036
	65+	21,384	16,368	14,196	20,940	15,948	13,740	21,984	16,968	14,796	21,540	16,548	14,340
Sub & Child	19 - 24	5,724	4,848	3,984	5,436	4,428	3,660	6,324	5,448	4,584	6,036	5,028	4,260
	25 - 29	5,724	4,848	3,984	5,436	4,428	3,660	6,324	5,448	4,584	6,036	5,028	4,260
	30 - 34	5,724	4,848	3,984	5,208	4,260	3,540	6,324	5,448	4,584	5,808	4,860	4,140
	35 - 39	5,724	4,848	3,984	4,980	4,068	3,396	6,324	5,448	4,584	5,580	4,668	3,996
	40 - 44	5,724	4,848	3,984	5,124	4,104	3,480	6,324	5,448	4,584	5,724	4,704	4,080
	45 - 49	6,216	4,956	4,188	5,904	4,632	3,936	6,816	5,556	4,788	6,504	5,232	4,536
	50 - 54	7,284	5,808	4,944	6,936	5,436	4,620	7,884	6,408	5,544	7,536	6,036	5,220
	55 - 59	9,372	7,356	6,312	9,060	7,044	6,012	9,972	7,956	6,912	9,660	7,644	6,612
	60 - 64	11,184	8,724	7,488	10,872	8,388	7,200	11,784	9,324	8,088	11,472	8,988	7,800
	65+	12,624	9,732	8,340	12,624	9,732	8,340	13,224	10,332	8,940	13,224	10,332	8,940
Sub & Children	19 - 24	8,016	6,768	5,568	7,812	6,372	5,316	8,916	7,668	6,468	8,712	7,272	6,216
	25 - 29	8,016	6,768	5,568	7,812	6,372	5,316	8,916	7,668	6,468	8,712	7,272	6,216
	30 - 34	8,016	6,768	5,568	7,356	6,036	5,028	8,916	7,668	6,468	8,256	6,936	5,928
	35 - 39	8,016	6,768	5,568	7,152	5,844	4,860	8,916	7,668	6,468	8,052	6,744	5,760
	40 - 44	8,016	6,768	5,568	7,284	5,856	4,956	8,916	7,668	6,468	8,184	6,756	5,856
	45 - 49	8,496	6,876	5,784	8,076	6,420	5,436	9,396	7,776	6,684	8,976	7,320	6,336
	50 - 54	9,564	7,704	6,528	9,108	7,200	6,120	10,464	8,604	7,428	10,008	8,100	7,020
	55 - 59	11,652	9,264	7,896	11,244	8,820	7,500	12,552	10,164	8,796	12,144	9,720	8,400
	60 - 64	13,476	10,620	9,072	13,032	10,164	8,676	14,376	11,520	9,972	13,932	11,064	9,576
	65+	14,796	11,520	9,828	14,796	11,520	9,828	15,696	12,420	10,728	15,696	12,420	10,728
Family	19 - 24	10,440	8,760	7,224	10,224	8,352	6,948	11,640	9,960	8,424	11,424	9,552	8,148
	25 - 29	10,452	8,760	7,236	10,224	8,352	6,948	11,652	9,960	8,436	11,424	9,552	8,148
	30 - 34	10,464	8,772	7,260	9,780	8,016	6,660	11,664	9,972	8,460	10,980	9,216	7,860
	35 - 39	10,464	8,772	7,260	9,552	7,812	6,516	11,664	9,972	8,460	10,752	9,012	7,716
	40 - 44	11,004	9,144	7,608	10,212	8,160	6,936	12,204	10,344	8,808	11,412	9,360	8,136
	45 - 49	12,348	9,852	8,352	11,844	9,288	7,896	13,548	11,052	9,552	13,044	10,488	9,096
	50 - 54	14,568	11,616	9,900	13,896	10,872	9,252	15,768	12,816	11,100	15,096	12,072	10,452
	55 - 59	18,744	14,724	12,636	18,144	14,088	12,048	19,944	15,924	13,836	19,344	15,288	13,248
	60 - 64	22,380	17,448	14,988	21,780	16,836	14,436	23,580	18,648	16,188	22,980	18,036	15,636
	65+	25,488	19,704	16,932	25,284	19,488	16,692	26,688	20,904	18,132	26,484	20,688	17,892

HEALTH NET LIFE INS. CO.

Individual Salud PPO Plans

Exhibit 1.1

Rating Region 1

Los Angeles County with Zip Codes beginning with 906-912, 915, 917, 918, 935

Tier	Age	Current Annual Rates - Without Dental & Visior						Current Annual Rates - With Dental & Visior					
		Salud PPO (Effective 1/1/11)			Salud PPO (Effective 10/1/10)			Salud PPO (Effective 1/1/11)			Salud PPO (Effective 10/1/10)		
		15 NG	25 NG	15/25% NG	15 GF	25 GF	15/25% GF	15 NG	25 NG	15/25% NG	15 GF	25 GF	15/25% GF
Subscriber	< 1	3,312	2,868	2,316	2,952	2,412	2,004	3,612	3,168	2,616	3,252	2,712	2,304
	1 - 4	2,112	1,788	1,476	1,944	1,596	1,332	2,412	2,088	1,776	2,244	1,896	1,632
	5 - 18	2,076	1,728	1,440	1,944	1,596	1,332	2,376	2,028	1,740	2,244	1,896	1,632
	19 - 24	2,196	1,812	1,512	2,160	1,764	1,476	2,496	2,112	1,812	2,460	2,064	1,776
	25 - 29	2,208	1,812	1,524	2,160	1,764	1,476	2,508	2,112	1,824	2,460	2,064	1,776
	30 - 34	2,220	1,824	1,536	2,160	1,764	1,476	2,520	2,124	1,836	2,460	2,064	1,776
	35 - 39	2,220	1,824	1,536	2,160	1,764	1,476	2,520	2,124	1,836	2,460	2,064	1,776
	40 - 44	2,712	2,160	1,860	2,616	2,064	1,764	3,012	2,460	2,160	2,916	2,364	2,064
	45 - 49	3,504	2,712	2,328	3,396	2,592	2,220	3,804	3,012	2,628	3,696	2,892	2,520
	50 - 54	4,548	3,552	3,060	4,332	3,324	2,844	4,848	3,852	3,360	4,632	3,624	3,144
	55 - 59	6,444	4,968	4,308	6,264	4,788	4,128	6,744	5,268	4,608	6,564	5,088	4,428
	60 - 64	8,100	6,204	5,376	7,920	6,024	5,196	8,400	6,504	5,676	8,220	6,324	5,496
	65+	9,720	7,440	6,456	9,504	7,236	6,228	10,020	7,740	6,756	9,804	7,536	6,528
Sub & Spouse	19 - 24	4,392	3,624	3,024	4,368	3,576	2,964	4,992	4,224	3,624	4,968	4,176	3,564
	25 - 29	4,416	3,624	3,048	4,368	3,576	2,964	5,016	4,224	3,648	4,968	4,176	3,564
	30 - 34	4,440	3,648	3,072	4,368	3,576	2,964	5,040	4,248	3,672	4,968	4,176	3,564
	35 - 39	4,440	3,648	3,072	4,368	3,576	2,964	5,040	4,248	3,672	4,968	4,176	3,564
	40 - 44	5,424	4,320	3,720	5,256	4,152	3,576	6,024	4,920	4,320	5,856	4,752	4,176
	45 - 49	7,008	5,424	4,656	6,828	5,232	4,476	7,608	6,024	5,256	7,428	5,832	5,076
	50 - 54	9,096	7,104	6,120	8,688	6,672	5,712	9,696	7,704	6,720	9,288	7,272	6,312
	55 - 59	12,888	9,936	8,616	12,540	9,612	8,256	13,488	10,536	9,216	13,140	10,212	8,856
	60 - 64	16,200	12,408	10,752	15,864	12,084	10,404	16,800	13,008	11,352	16,464	12,684	11,004
	65+	19,440	14,880	12,912	19,044	14,508	12,492	20,040	15,480	13,512	19,644	15,108	13,092
Sub & Child	19 - 24	5,208	4,416	3,624	4,944	4,032	3,336	5,808	5,016	4,224	5,544	4,632	3,936
	25 - 29	5,208	4,416	3,624	4,944	4,032	3,336	5,808	5,016	4,224	5,544	4,632	3,936
	30 - 34	5,208	4,416	3,624	4,740	3,876	3,228	5,808	5,016	4,224	5,340	4,476	3,828
	35 - 39	5,208	4,416	3,624	4,536	3,708	3,096	5,808	5,016	4,224	5,136	4,308	3,696
	40 - 44	5,208	4,416	3,624	4,668	3,732	3,168	5,808	5,016	4,224	5,268	4,332	3,768
	45 - 49	5,652	4,512	3,816	5,376	4,212	3,588	6,252	5,112	4,416	5,976	4,812	4,188
	50 - 54	6,624	5,280	4,500	6,312	4,944	4,200	7,224	5,880	5,100	6,912	5,544	4,800
	55 - 59	8,520	6,696	5,748	8,244	6,408	5,472	9,120	7,296	6,348	8,844	7,008	6,072
	60 - 64	10,176	7,932	6,816	9,888	7,632	6,552	10,776	8,532	7,416	10,488	8,232	7,152
	65+	11,484	8,856	7,584	11,484	8,856	7,584	12,084	9,456	8,184	12,084	9,456	8,184
Sub & Children	19 - 24	7,296	6,156	5,064	7,104	5,796	4,836	8,196	7,056	5,964	8,004	6,696	5,736
	25 - 29	7,296	6,156	5,064	7,104	5,796	4,836	8,196	7,056	5,964	8,004	6,696	5,736
	30 - 34	7,296	6,156	5,064	6,696	5,496	4,572	8,196	7,056	5,964	7,596	6,396	5,472
	35 - 39	7,296	6,156	5,064	6,504	5,316	4,428	8,196	7,056	5,964	7,404	6,216	5,328
	40 - 44	7,296	6,156	5,064	6,624	5,328	4,512	8,196	7,056	5,964	7,524	6,228	5,412
	45 - 49	7,728	6,252	5,268	7,344	5,844	4,944	8,628	7,152	6,168	8,244	6,744	5,844
	50 - 54	8,700	7,008	5,940	8,280	6,552	5,568	9,600	7,908	6,840	9,180	7,452	6,468
	55 - 59	10,596	8,424	7,188	10,224	8,028	6,828	11,496	9,324	8,088	11,124	8,928	7,728
	60 - 64	12,252	9,660	8,256	11,856	9,240	7,896	13,152	10,560	9,156	12,756	10,140	8,796
	65+	13,452	10,476	8,940	13,452	10,476	8,940	14,352	11,376	9,840	14,352	11,376	9,840
Family	19 - 24	9,492	7,968	6,576	9,300	7,596	6,324	10,692	9,168	7,776	10,500	8,796	7,524
	25 - 29	9,504	7,968	6,588	9,300	7,596	6,324	10,704	9,168	7,788	10,500	8,796	7,524
	30 - 34	9,516	7,980	6,600	8,892	7,296	6,060	10,716	9,180	7,800	10,092	8,496	7,260
	35 - 39	9,516	7,980	6,600	8,688	7,104	5,928	10,716	9,180	7,800	9,888	8,304	7,128
	40 - 44	10,008	8,316	6,924	9,288	7,428	6,312	11,208	9,516	8,124	10,488	8,628	7,512
	45 - 49	11,232	8,964	7,596	10,776	8,448	7,188	12,432	10,164	8,796	11,976	9,648	8,388
	50 - 54	13,248	10,560	9,000	12,636	9,888	8,412	14,448	11,760	10,200	13,836	11,088	9,612
	55 - 59	17,040	13,392	11,496	16,500	12,816	10,956	18,240	14,592	12,696	17,700	14,016	12,156
	60 - 64	20,352	15,864	13,632	19,800	15,312	13,128	21,552	17,064	14,832	21,000	16,512	14,328
	65+	23,172	17,916	15,396	22,992	17,724	15,180	24,372	19,116	16,596	24,192	18,924	16,380

HEALTH NET LIFE INS. CO.

Individual Salud PPO Plans

Exhibit 1.1

Rating Region 1

Los Angeles County with Zip Codes beginning with 906-912, 915, 917, 918, 935

Tier	Age	Percentage Changes - Without Dental & Visior						Percentage Changes - With Dental & Visior					
		Salud PPO			Salud PPO			Salud PPO			Salud PPO		
		15 NG	25 NG	15/25% NG	15 GF	25 GF	15/25% GF	15 NG	25 NG	15/25% NG	15 GF	25 GF	15/25% GF
Subscriber	< 1	9.8%	9.6%	9.8%	9.8%	8.7%	9.6%	9.0%	8.7%	8.7%	8.9%	8.8%	8.3%
	1 - 4	9.7%	9.4%	9.8%	9.9%	9.8%	9.9%	8.5%	8.0%	8.1%	8.6%	8.2%	8.1%
	5 - 18	9.8%	9.7%	10.0%	9.9%	9.8%	9.9%	8.6%	8.3%	8.3%	8.6%	8.2%	8.1%
	19 - 24	9.8%	9.9%	9.5%	10.0%	9.5%	9.8%	8.7%	8.5%	7.9%	8.8%	8.1%	8.1%
	25 - 29	9.8%	9.9%	9.4%	10.0%	9.5%	9.8%	8.6%	8.5%	7.9%	8.8%	8.1%	8.1%
	30 - 34	9.7%	9.9%	9.4%	10.0%	9.5%	9.8%	8.6%	8.5%	7.8%	8.8%	8.1%	8.1%
	35 - 39	9.7%	9.9%	9.4%	10.0%	9.5%	9.8%	8.6%	8.5%	7.8%	8.8%	8.1%	8.1%
	40 - 44	9.7%	10.0%	9.7%	9.6%	9.9%	9.5%	8.8%	8.8%	8.3%	8.6%	8.6%	8.1%
	45 - 49	9.9%	9.7%	9.8%	9.9%	9.7%	9.7%	9.1%	8.8%	8.7%	9.1%	8.7%	8.6%
	50 - 54	9.8%	9.8%	9.8%	10.0%	9.7%	9.7%	9.2%	9.0%	8.9%	9.3%	8.9%	8.8%
	55 - 59	9.9%	9.9%	9.7%	10.0%	9.8%	9.9%	9.4%	9.3%	9.1%	9.5%	9.2%	9.2%
	60 - 64	9.9%	9.9%	9.8%	10.0%	10.0%	9.9%	9.6%	9.4%	9.3%	9.6%	9.5%	9.4%
	65+	10.0%	10.0%	9.9%	10.0%	10.0%	9.8%	9.7%	9.6%	9.4%	9.7%	9.6%	9.4%
Sub & Spouse	19 - 24	9.8%	9.9%	9.9%	9.9%	9.7%	9.7%	8.7%	8.5%	8.3%	8.7%	8.3%	8.1%
	25 - 29	9.8%	9.9%	9.8%	9.9%	9.7%	9.7%	8.6%	8.5%	8.2%	8.7%	8.3%	8.1%
	30 - 34	10.0%	9.9%	9.8%	9.9%	9.7%	9.7%	8.8%	8.5%	8.2%	8.7%	8.3%	8.1%
	35 - 39	10.0%	9.9%	9.8%	9.9%	9.7%	9.7%	8.8%	8.5%	8.2%	8.7%	8.3%	8.1%
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	55 - 59	10.0%	9.9%	9.9%	10.0%	10.0%	9.9%	9.5%	9.3%	9.2%	9.5%	9.4%	9.2%
	60 - 64	10.0%	10.0%	9.9%	10.0%	9.9%	9.9%	9.6%	9.5%	9.4%	9.6%	9.5%	9.4%
	65+	10.0%	10.0%	9.9%	10.0%	9.9%	10.0%	9.7%	9.6%	9.5%	9.7%	9.5%	9.5%
Sub & Child	19 - 24	9.9%	9.8%	9.9%	10.0%	9.8%	9.7%	8.9%	8.6%	8.5%	8.9%	8.5%	8.2%
	25 - 29	9.9%	9.8%	9.9%	10.0%	9.8%	9.7%	8.9%	8.6%	8.5%	8.9%	8.5%	8.2%
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	55 - 59	10.0%	9.9%	9.8%	9.9%	9.9%	9.9%	9.3%	9.0%	8.9%	9.2%	9.1%	8.9%
	60 - 64	9.9%	10.0%	9.9%	10.0%	9.9%	9.9%	9.4%	9.3%	9.1%	9.4%	9.2%	9.1%
	65+	9.9%	9.9%	10.0%	9.9%	9.9%	10.0%	9.4%	9.3%	9.2%	9.4%	9.3%	9.2%
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	50 - 54	9.9%	9.9%	9.9%	10.0%	9.9%	9.9%	9.0%	8.8%	8.6%	9.0%	8.7%	8.5%
	55 - 59	10.0%	10.0%	9.8%	10.0%	9.9%	9.8%	9.2%	9.0%	8.8%	9.2%	8.9%	8.7%
	60 - 64	10.0%	9.9%	9.9%	9.9%	10.0%	9.9%	9.3%	9.1%	8.9%	9.2%	9.1%	8.9%
	65+	10.0%	10.0%	9.9%	10.0%	10.0%	9.9%	9.4%	9.2%	9.0%	9.4%	9.2%	9.0%
Family	19 - 24	10.0%	9.9%	9.9%	9.9%	10.0%	9.9%	8.9%	8.6%	8.3%	8.8%	8.6%	8.3%
	25 - 29	10.0%	9.9%	9.8%	9.9%	10.0%	9.9%	8.9%	8.6%	8.3%	8.8%	8.6%	8.3%
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	35 - 39	10.0%	9.9%	10.0%	9.9%	10.0%	9.9%	8.8%	8.6%	8.5%	8.7%	8.5%	8.2%
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	50 - 54	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.1%	9.0%	8.8%	9.1%	8.9%	8.7%
	55 - 59	10.0%	9.9%	9.9%	10.0%	9.9%	10.0%	9.3%	9.1%	9.0%	9.3%	9.1%	9.0%
	60 - 64	10.0%	10.0%	9.9%	10.0%	10.0%	10.0%	9.4%	9.3%	9.1%	9.4%	9.2%	9.1%
	65+	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	9.5%	9.4%	9.3%	9.5%	9.3%	9.2%

SERFF Tracking Number: HNLI-127341936 State: California
Filing Company: Health Net Life Insurance Company State Tracking Number: PF-2011-01507
Company Tracking Number:
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005A Individual - Preferred Provider (PPO)
Product Name: Salud IFP PPO Rates Effective October 1, 2011
Project Name/Number: /

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Filing Cover Sheet		
Comments:		
Attachment:		
Filing Cover Sheet.pdf		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum		
Comments:		
Health Net Life Insurance Company's Actuarial Memorandum as well as an outside actuary opinion.		
Attachments:		
Actuarial Memorandum.pdf		
Milliman Actuarial Memorandum.pdf		

	Item Status:	Status Date:
Satisfied - Item: Document Submission Formset		
Comments:		
Attachment:		
Submission Formset 7.27.11.pdf		

	Item Status:	Status Date:
Bypassed - Item: Health Rate Supplemental Form		
Bypass Reason: N/A		
Comments:		

	Item Status:	Status Date:
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SERFF Tracking Number: HNLI-127341936 State: California
Filing Company: Health Net Life Insurance Company State Tracking Number: PF-2011-01507
Company Tracking Number:
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005A Individual - Preferred Provider (PPO)

Product Name: Salud IFP PPO Rates Effective October 1, 2011
Project Name/Number: /

Bypassed - Item: Third Party Authorization

Bypass Reason: N/A

Comments:

Item Status:

Status

Date:

Satisfied - Item: Plain Language Description and Spreadsheet

Comments:

Attachments:

CA PLAIN LANGUAGE SPREADSHEET_CDI.XLS

PlainLangDes - Salud IFP PPO.pdf

Item Status:

Status

Date:

Satisfied - Item: Rate Filing Form and Spreadsheet

Comments:

Attachments:

CA RATE FILING SPREADSHEET_CDI.XLS

Rate Filing Form - Salud IFP PPO - 7.27.11.pdf

CALIFORNIA DEPARTMENT OF INSURANCE

FILING COVER SHEET

for

FORMS FILINGS with the POLICY APPROVAL BUREAU

(Suggested for use as the cover letter required by Title 10, California Code of Regulation §2205 for filings of policy forms in the DOCUMENT CLASSES listed below. Other DOCUMENT CLASSES are filed with other Department Bureaus per §2206.)

TO: California Department of Insurance Policy Approval Bureau 45 Fremont Street San Francisco, CA 94105	FROM: (Official Insurer Name): Health Net Life Insurance Company
	Submitter and Complete Mailing Address: Health Net Life Insurance Company Paul Sedgwick/Director, Regulatory Compliance 11971 Foundation Place Rancho Cordova, California 95670
	Submission Date: July 27, 2011

1. IDENTIFYING FORM NUMBER(S): Individual rates effective October 1, 2011 in policy form P32301

[The form number(s) of one or more of the documents submitted by which the filing can be identified. §2205(a)]

2. DOCUMENT CLASS [The subdivision of §2202(a) which best describes the forms submitted. §2205(b)]

Generic Description and Definition Citation	Check Below		Generic Description and Definition Citation	Check Below
"Health Insurance" [§2202(a)(1)]	X		"Credit Life and Disability" [§2202(a)(6)]	
"Group and Blanket Life and Non-health Disability" [§2202(a)(2)]			"Supplemental Life Benefits" [§2202(a)(7)]	
"Individual Disability, Non-health" [§2202(a)(3)]			"Variable Life and Annuities" [§2202(a)(8)]	
"Medicare Supplement" [§2202(a)(4)]			"Fraternal" [§2202(a)(9)]	
"Long-term Care" [§2202(a)(5)]			"Unclassified" * [§2202(a)(11)]	
* Describe briefly:				

3. GROUP AND/OR INDIVIDUAL [Are the forms group, individual or used in both contexts? §2205(b)]

Group Only:	Individual Only: X	Group AND Individual:
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4. EMPLOYER SIZE (Employer Health Insurance Only) [Where the forms submitted provide health coverage through employment, the minimum and the maximum sizes of the employers in terms of number of employees. §2205(c)]

2 to 50 Employees:	Over 50 Employees:	All Employers:
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5. REPLACES PREVIOUSLY-APPROVED DOCUMENT(S)? [Do any documents replace previously-approved Documents 2205(d)] N/A. Rates only.

6. FINAL PRINT FORM? [Whether each document is in draft, printer's proof, or the final printed form for issue to insureds. §2205(e)]

<u>Document(s)</u>	<u>Draft?</u>	<u>Printer's Proof?</u>	<u>Final Print?</u>
Rates only			X

7. TYPE OF DOCUMENT WITH WHICH IT WILL BE USED [For each document (such as a rider) which is designed to be used with another document not included in the filing, a statement of the document class with which it is to be used. §2205(f)]

<u>Document Form Number</u>	<u>Document Class (from Item 2. above)</u>

8. MASTER POLICY FORM NUMBER AND APPROVAL DATE: N/A. Rates only.

[Where a certificate is submitted for use with a previously approved "group" document, the form number and the filing or approval date of the previously approved group document. §2205(g)]

9. IF ABOVE INFORMATION CANNOT BE FURNISHED, EXPLAIN WHY. [If the submitter is unable to furnish the information requested above, explain why. §2205(h)]
Rates only.

10. IS A RECEIPT ACKNOWLEDGMENT CARD ENCLOSED? NO

[Submitters wanting acknowledgment of receipt of their filings must include a self-addressed, postage pre-paid postcard or letter for return when the filing is received. Acknowledgments must be drafted so that Department personnel need only enter dates of receipt before mailing. §2205(j)]

11. REMARKS AND ADDITIONAL INFORMATION (Attach additional sheets if necessary):

Renewal rates effective October 1, 2011.

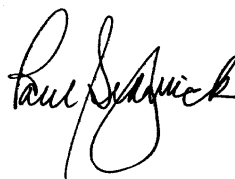
MAKE SURE THAT A COMPLETED 3-PART DOCUMENT SUBMISSION FORMSET IS INCLUDED

[Filings of documents described in §2202(a)(1) through (a)(11) shall include three-part Document Submission Formsets. §2216(a)]

MAKE SURE THAT A STAMPED, RETURN ADDRESSED ENVELOPE IS INCLUDED [The cover letter shall be accompanied by a stamped, self-addressed business-size return envelope. §2205(i)]

MAKE SURE THAT A DUPLICATE FILING COVER SHEET IS INCLUDED [All document submissions must be accompanied by a cover letter in duplicate. §2205]

SUBMITTER'S SIGNATURE AND TITLE:



Paul Sedgwick
Director, Regulatory Compliance



MEMORANDUM

TO: California Department of Insurance

FROM: Mark E. Bean, ASA, MAAA

DATE: July 26, 2011

RE: Actuarial Memorandum of Health Net Life Insurance Company Individual PPO Rate Increase Effective October 1, 2011

Policy Number: P32301 (CA 06/06) renewals; P32301 (CA 1/11) new business beginning 1/1/2011

Purpose

The purpose of this actuarial memorandum is to provide notification and documentation of the change in premium rates effective beginning October 1, 2011 for Health Net Life Insurance Company for our individual and family plans.

The following is a summary of the details that are included in this memorandum:

- The overall average loss ratio for the experience period is 77.2%.
- The requested overall average rate increase is 10.0%.
- Based on the requested overall average rate increase of 10.0% and an annual trend rate of 14.3%, the projected statutory loss ratio for the rating period is 76.6%.
- The projected present value of the anticipated lifetime loss ratio for all our plans is expected to be 83.1%.

Policy Descriptions

The policy form is for guarantee renewable individual major medical coverage. Table 1 below provides a basic summary of the benefits for each plan.

Table 1

Plan Name	Office Visit	In-Network			Out-of-Network			Matern	Pharmacy			
		Deduct	Coins	OPM	Deduct	Coins	OPM		Ded	Gen	Brand	NF
Salud PPO 15 GF	\$15	\$1,500	0%	\$1,500	\$3,000	50%	\$3,000	Yes	\$150	\$5	\$35	\$50
Salud PPO 15/25% GF	\$15	\$2,500	25%	\$5,000	\$5,000	50%	\$10,000	Yes	\$150	\$5	\$35	\$50
Salud PPO 25 GF	\$25	\$2,500	0%	\$2,500	\$5,000	50%	\$5,000	Yes	\$150	\$5	\$35	\$50
Salud PPO 15 NG	\$15	\$1,500	0%	\$1,500	\$3,000	50%	\$3,000	Yes	\$150	\$5	\$35	\$50
Salud PPO 15/25% NG	\$15	\$2,500	25%	\$5,000	\$5,000	50%	\$10,000	Yes	\$150	\$5	\$35	\$50
Salud PPO 25 NG	\$25	\$2,500	0%	\$2,500	\$5,000	50%	\$5,000	Yes	\$150	\$5	\$35	\$50

Note:

1. GF - Grandfathered
2. NG - Non-Grandfathered
3. OPM - Out of Pocket Maximum (Includes Deductible)
4. For Non-Grandfathered plans, preventive services are covered at 100%

Experience by Benefit Plan

The experience period is 1/1/2010 through 12/31/2010 with a date of payment through 3/31/2011. The overall loss ratio for the experience period is 77.2%. The plans listed below in Table 2 are for our grandfathered plans since our non-grandfathered plans became effective 1/1/2011.

Table 2
Experience By Plan

Benefit Plan	Current Members May-11	January 1, 2010 through December 31, 2010						
		Member Months	Average # of Members	Totals		PMPM		MLR
				Premium	HCC	Premium	HCC	
Salud PPO 15	183	2,431	203	\$440,761	\$548,982	\$181	\$226	125%
Salud PPO 15/25%	149	2,309	192	\$351,736	\$233,254	\$152	\$101	66%
Salud PPO 25	280	4,671	389	\$816,873	\$460,031	\$175	\$98	56%
Total	612	9,411	784	\$1,609,370	\$1,242,267	\$171	\$132	77%

Rate Development

Premium rate development is based upon estimated health care cost expense per insured per month. Health care expense estimates were based on Health Net Life Individual PPO experience. The experience period is 1/1/2010 to 12/31/2010 and the rating period is 10/1/2011 to 9/30/2012.

Table 3 shows the overall average change in the rates based on trending the experience period claims to the midpoint of the rating period. The number of months of trend is determined by the difference between the midpoint of the rating period to the midpoint of the month the claim was incurred. Adjusted revenue was calculated using the 12/31/2010 rates. The calculated required

rate increase 18.7% but the proposed rates in this filing result in an overall average rate increase of 10.0%. The justification for the rate increase is due to increases in the cost of providing care (medical trend) and utilization (claim experience) higher than expected.

Note that if the rate increase is delayed beyond October 1, 2011, these rates will be adjusted at a rate of 1.1% per month. The rates will be adjusted based on the month that the rate increase is implemented.

Table 3
 Required Base Rate Change

Experience Period Beginning Ending	1/1/2010 12/31/2010
Current Membership - 5/1/2011	612
Member Months for the Experience Period	9,411
Revenue	\$1,609,370
Total Claims	\$1,242,267
Loss Ratio	77.2%
Based on 2010 Membership	
Adjusted Revenue (Using Rates as of 12/31/10)	\$1,849,518
Trended Claims	\$1,502,254
Requested Rate Increase	10.0%
Revenue Based Upon Rate Increase	\$2,034,469
Expected Statutory Loss Ratio	73.8%
Weighted by Current Membership	
Adjusted Revenue (Using Rates as of 12/31/10)	\$1,447,071
Trended Claims	\$1,219,344
Requested Rate Increase	10.0%
Revenue Based Upon Rate Increase	\$1,591,778
Expected Statutory Loss Ratio	76.6%

Notes:

1. Experience period revenue includes revenue for the Dental & Vision rider.
2. Experience period claims includes costs for the Dental & Vision rider.
3. Adjusted revenue excludes revenue for the Dental & Vision rider.
4. Trended claims excludes costs for the Dental & Vision rider.

Medical Trend Factors:

1. Unit Cost: 8.29%
2. Utilization: 2.47%
3. Risk Margin: 2.0%
4. Deductible Leveraging: 0% to 2.0% (Based on the deductible)
5. Pharmacy Trend Factors - 12.5%
6. Combined average trend – 14.3%

The unit cost, utilization, risk margin, and deductible leveraging factors are compounded in order to get the base trend factor.

Justification for the Medical Trend Components

- Determination of the Medical Trend: Based on expected changes in our provider contracts and increases in utilization $[(1.0829)*(1.0247) - 1] = 10.96\%$.
- Risk Margin of 2%: This is consistent with guidance from the CDI in 2010.
- Medical Deductible Leveraging: Based on the July 2011 Milliman Guidelines p. 7.7 - Deductible Leveraging Factors for Comprehensive Major Medical with No-of-Pocket Max

	Plan Deductible							
	\$0	\$500	\$750	\$1,000	\$1,500	\$2,000	\$2,500	\$5,000
Leveraging Factor	1.00	1.05	1.07	1.08	1.11	1.13	1.16	1.24
HN Unit Cost Trend	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%	8.29%
Leveraging Trend	0.0%	0.4%	0.6%	0.7%	0.9%	1.1%	1.5%	2.0%

For deductibles not listed on the above, interpolation was used to determine the leveraging factor.

- Historical combined average annual trend for the years of 2007–2010 averaged 13.5%.
- Medical Deterioration is set to 0%.

Although the impact of medical deterioration is greater than 0%, we are using 0% in our calculation to reduce the needed premium increase. We should be including a factor for medical deterioration because our actual experience has a higher medical loss ratio than our projected experience.

Rate History

Table 4 shows the requested average rate increase and rate history for each plan. The rate increase for plans that have a grandfathered and a non-grandfathered plan will be the same for both versions.

Table 4

Plan	Requested	History of Rate Increases				
	10/2011	10/10	7/09	7/08	7/07	
Salud PPO 15	10.0%	21.2%	19.0%	15.0%	0%	
Salud PPO 15/25%	10.0%	21.2%	19.0%	15.0%	0%	
Salud PPO 25	10.0%	21.2%	19.0%	15.0%	0%	

Lifetime Loss Ratio and Expected Future Rate Increases

Key assumptions in developing the future anticipated loss ratio:

1. Claims Trend (excluding duration) for 2011 is 14.3%.
2. Claims Trends (excluding duration) for 2012-2026 is 8%. Please note that we expect future trends to be greater than 8% and we intend to adjust our rates according to actual trends. The 8% is used for illustration purposes only.
3. New sales are only through 2011.
4. Expected Rate Increases 2012-2026 8% for all plans.
5. Discount Rate: 5%
6. Lapse Rate (Monthly) varies by the experience of the plan and the duration of the plan and ranges from 1.9% to 5.9%.

Table 5 shows the historical and the projected future lifetime loss ratios of the Salud plans. The historical loss ratio and the future anticipated loss ratio shown in Table 5 is above 70%. This demonstrates our compliance with California Code of Regulations 2222.12.

Table 5

Year	All Plans						
	Member Months	Premium	Health Care Costs	MLR	Premium	Present Value HCC	MLR
2006	1,077	\$119,233	\$57,583	48.3%	\$144,928	\$69,993	48.3%
2007	3,464	\$399,377	\$195,980	49.1%	\$462,329	\$226,872	49.1%
2008	12,497	\$1,571,872	\$1,567,420	99.7%	\$1,732,988	\$1,728,081	99.7%
2009	12,083	\$1,797,293	\$1,755,272	97.7%	\$1,887,157	\$1,843,036	97.7%
2010	9,411	\$1,609,370	\$1,242,267	77.2%	\$1,609,370	\$1,242,267	77.2%
2011	7,749	\$1,622,242	\$1,163,643	71.7%	\$1,544,992	\$1,108,232	71.7%
2012	5,586	\$1,371,325	\$1,064,578	77.6%	\$1,243,832	\$965,603	77.6%
2013	4,113	\$1,176,072	\$954,476	81.2%	\$1,015,935	\$824,513	81.2%
2014	3,053	\$1,003,518	\$833,796	83.1%	\$825,596	\$685,966	83.1%
2015	2,280	\$859,431	\$720,080	83.8%	\$673,387	\$564,202	83.8%
2016	1,709	\$734,256	\$615,081	83.8%	\$547,913	\$458,983	83.8%
2017	1,281	\$626,910	\$522,372	83.3%	\$445,533	\$371,240	83.3%
2018	961	\$532,649	\$442,479	83.1%	\$360,518	\$299,487	83.1%
2019	721	\$451,199	\$373,891	82.9%	\$290,847	\$241,013	82.9%
2020	541	\$381,492	\$315,349	82.7%	\$234,203	\$193,597	82.7%
2021	405	\$321,254	\$264,328	82.3%	\$187,831	\$154,547	82.3%
2022	304	\$270,405	\$221,547	81.9%	\$150,572	\$123,366	81.9%
2023	228	\$228,274	\$186,691	81.8%	\$121,059	\$99,006	81.8%
2024	171	\$191,567	\$156,440	81.7%	\$96,755	\$79,013	81.7%
2025	128	\$160,606	\$130,553	81.3%	\$77,254	\$62,798	81.3%
2026	96	\$135,354	\$109,599	81.0%	\$62,007	\$50,208	81.0%
Historical	38,532	\$5,497,144	\$4,818,522	87.7%	\$5,836,773	\$5,110,247	87.6%
Projected	29,326	\$10,066,555	\$8,074,901	80.2%	\$7,878,234	\$6,281,773	79.7%
Total	67,858	\$15,563,699	\$12,893,423	82.8%	\$13,715,007	\$11,392,020	83.1%

Rating Region

The rating region for all of the Salud Affordable IFP PPO plans are defined by the following counties: Los Angeles, Orange, and Ventura.

Our geographic definitions have not changed since our last rate filing.

Rate Adjustments

These rates apply only to insureds who are underwritten into the standard rating tier. Rates between 110% and 200% of the attached rates are also available for insureds who are at least 19 years of age and underwritten into one of the substandard tiers.

Rates between 110% and 500% of the attached rates are available for children who are under 19 years of age that are underwritten into a substandard tier. If a child who is under 19 years of age is rated at more than two times the standard risk rate, the rate will be reduced to two times the standard risk rate, excluding the 20% surcharge, at the next open enrollment period for that child.

Actuarial Certification

I, Mark E. Bean, am associated with Health Net Inc., the parent company of Health Net Life Insurance Company. I am a member of the American Academy of Actuaries and meet its qualifications for actuarial certification of medical premium rate filings. I have reviewed the enclosed premium rates for the Individual PPO plans described below.

In my analysis of the rates, I relied upon financial records and summaries prepared by responsible officers and employees of Health Net Life. In other respects, my analysis included such review of the assumptions as I considered necessary.

For preparation of the rates, items identified below:

- (i) are computed in accordance with commonly accepted actuarial standards consistently applied and are fairly stated in accordance with sound actuarial principles;
- (ii) meet the requirements of the laws of the State of California;
- (iii) make a good and sufficient provision for all unpaid claims of the organization under the terms of its contracts and agreements; and
- (iv) include appropriate provision for all actuarial items which ought to be established.

In my opinion, the enclosed rates are reasonable in relation to the anticipated experience of Health Net Life Insurance Company, and are neither excessive, inadequate, nor unfairly discriminatory.

Sincerely,

Mark E. Bean

Mark E. Bean, ASA, MAAA
11971 Foundation Place
Rancho Cordova, CA 95670
Phone: (916) 935-1102
Fax: (916) 935-4407

July 26, 2011
Date



Actuarial Memorandum

Health Net Life Insurance Company Individual Policy Filing

Qualifications

I, Gary L. Brace, am a member of the American Academy of Actuaries and meet its qualification standards for actuaries issuing statements of actuarial opinions in the United States. This filing is prepared on behalf of Health Net Life Insurance Company (the "Company") to comply with California Insurance Code section 10181.6 (b) (2). It may not be appropriate to use for other purposes.

I am affiliated with Milliman, Inc. ("Milliman") an independent actuarial consulting firm that is not affiliated with, nor a subsidiary, nor in any way owned or controlled by a health plan, health insurer or a trade association of health plans or insurers.

Scope

As a consulting actuary with Milliman, I have written this actuarial memorandum at the request of the Company to discuss the annual rate filing for its Individual policies, with form number P32301. The proposed rates included in this filing will be effective for new and existing members enrolling or renewing on or after October 1, 2011. The proposed rates represent an increase of 10.0% for all products on this policy form.

This statement of opinion complies with the Actuarial Standards of Practice No. 8 and No. 41, promulgated by the Actuarial Standards Board.



Reliance

I have relied upon information provided by Mr. Robert F. Kuecks, ASA, MAAA, Vice President and Actuary at the Company. While I reviewed the information for reasonableness, I did not audit the underlying data for correctness. Appendix A contains Statement Regarding Accuracy and Completeness of the Underlying Data Sources provided to me as part of my review, and forms a part of this opinion.

Testing Procedures

As part of my review, I followed the testing procedures outlined in Appendix B.

Opinion – Actuarially Sound in the Aggregate

In my opinion, the proposed premium rates are actuarially sound in the aggregate because the premium rates for business in California, including reinsurance recoveries, support expected health benefit costs, settlement costs, marketing and administrative expenses, and cost of required capital as provided to me by the Company.

An example of the rate calculations for Simple Value 30 is attached in Appendix C. While the Simple Value 30 product is part of another policy form, the rating approach is the same as used for this policy form.

Opinion – Reasonable Premium Rate Increases

In my opinion, the proposed premium rate increases are reasonable. I based my opinion of reasonable rate increase on the factors below. The assumptions, data used and other relevant information used in the rating filing development are included in Appendix C.

1. The expected loss ratio for the individual products, for the 12 month period between October 1, 2011 and September 30, 2012, after the proposed rate increase, is 77.2%. The loss ratio is determined as the ratio of projected incurred claims divided by projected revenue, consistent with the statutory reporting definition for premium revenue.

I did not determine a Federal loss ratio since there are less than 1,000



members on this policy form, and there is no credibility factor, per the guidance from the NAIC, associated with less than 1,000 lives.

2. The rate increase is supported by substantial evidence of anticipated claims costs trends.
 - a. I reviewed the data and metrics contained in numerous spreadsheets provided by the Company for this policy form and a related policy form. The summarized results of both sets of spreadsheets, such as the historic and future loss ratio, and trend rate development are presented in the Company's actuarial opinion or the Rate Filing Form.
 - b. The prior rate increase history, the corresponding projected loss ratios and subsequent actual loss ratios are presented in Table 6 of the Company's actuarial opinion.
 - c. A 21.2% rate increase was implemented beginning October 2010. This increase is consistent with premium levels necessary to achieve the target lifetime loss ratio for the policy form. The historic loss ratios from CY 2010 are shown in Table 5 of the Company's actuarial opinion.
3. The choice of assumptions relating to unit health care cost increases, per capita utilization increases, and other assumptions, is reasonable.
 - a. I reviewed the trend development and have summarized the trend information in the chart below.

Trend Component	Annual Increase
Average unit cost increase across all medical service categories	8.3%
Average secular utilization increase across all medical service categories	2.5%
Average durational increase	0.0%
Increase due to selection bias	0.0%
Risk Margin	2.0%
Average impact of deductible leveraging across benefit plans	1.0%
Additional factors	0.0%
Total (based on multiplicative basis)	14.3%



A discussion of the source and development of the trend factors is found in the Company's actuarial opinion on page 3.

4. The documentation included in this rate filing is adequate in order to determine the reasonableness of the proposed rate increase.
 - a. Table 5 in the Company's actuarial opinion presents the results, on a summarized basis of the entire individual block, of the historical and future product loss ratio. This table is the summarized version of a more detailed spreadsheet that was developed by the Company.
 - b. The tables included in the Company's Rate Filing Form contain a number of tables presenting claims trend rates by component of trend, by major service category and by geographic area.
5. The proposed rates result in rates between insureds within similar risk categories that are permissible under applicable California law, and the premium differences correspond to differences in expected claims costs between allowable risk classes.
6. The proposed rate increases are not based on experience from this policy form, but rather based on rates of increase from a policy form with nearly 34,000 members.
7. The company's after-tax rate of return, including all segments and regions in which the Company operates over the past three years, has been as follows:
 - 2008 4.7%
 - 2009 15.5%
 - 2010 6.7%
 - In addition, the Company anticipates a rate of return of 3.7% in 2011.



The calculation of the rate of return is based on net income (after tax) divided by the average capital and surplus.

I reviewed these metrics, but I did not rely upon the ROE, since it was not considered explicitly in the rate development process.

8. The executive compensation is part of the overall administrative expense assumed in the premium development. I received a listing of the top ten most highly compensated officers at the Company. I reviewed the listing, but I did not rely upon the compensation levels since it was not considered explicitly in the rate development process.
9. The proposed average overall annual premium rate increase of 10.0% is greater than the Consumer Price Index for All Urban Consumers, U.S. City average of 2.9%, for the period April 2010 through April 2011.

While the proposed rate increase is larger than the medical costs index, material differences between the two measures provide an explanation as to the reasonability of the rate increase. The medical component of the CPI measures price inflation at the retail level. That is, it measures the prices paid for a fixed market basket of medical goods and services. The medical CPI is a retrospective measure and does not account for expected future spending, which is the basis for premium rate setting.

The following factors are included in the medical insurance claims trends that are not included in the CPI measure:

- Increased per capita utilization of services
- Cost for new technologies
- Changes in provider practice patterns or the intensity of the service being provided
- Changes in enrollment mix
- New mandated benefits
- Adverse selection
- Deductible leveraging effect
- Changes in provider mix and negotiated provider payment arrangements



I reviewed the medical trends as part of the premium development. The medical trends are built from a “first principles” approach using the expected unit cost increase by hospital and medical group, and then weighted using the historic volume associated with each provider entity. Expected per capita utilization is also assumed to increase, and incorporated into the expected medical claims trend.

I found the medical claims cost trends reasonable based upon my review.

10. As mentioned above in the Scope Section, the increase in the premium results in a 10.0% increase in the currently filed rates.

11. The capital and surplus level for the Company at December 31, 2010 is \$414,490,199. The dividend history for the past three years is as follows:

2008	\$0
2009	\$35,000,000
2010	\$0

I reviewed the dividend history, but I did not rely upon it since it was not considered explicitly in the rate development process.

12. The unisex age rating factors remain unchanged from the previous filing, so the premium rates for each age increase identically. The increase for each benefit plan is also identical. Consequently, the premium rate change does not result in any unreasonable increase for any particular cohort of policyholders.

13. The Company has regular management agreements and service contracts between itself and its affiliated companies, as well as reinsurance agreements. There have also been dividend and capital infusion transactions. This business is impacted by certain management and service contracts with affiliates as indicated in



Schedule Y of the Company's annual statements. The amounts of these transactions over the past three years are shown in the following table.

Transactions with Affiliates*			
(\$000 omitted)			
Transaction Type	2008	2009	2010
Dividends	0	(35,000)	0
Capital Contributions	130,000	0	0
Mgmt Agreements / Service Contracts	(199,572)	(183,536)	(188,429)
Reinsurance Income /(Disbursements)	(3,452)	(651)	(7,668)
Reinsurance Recoverable (Payable)	85,716	10,166	34,784

* Schedule Y of the Annual Statements

14. The cumulative lifetime loss ratio for this product on a net present value basis is 87.6%. The future loss ratio is 79.7%. The total lifetime and future loss ratio on a net present value basis is 83.1%.

Respectfully Submitted,

Gary L. Brace
Member of the American Academy of Actuaries
July 26, 2011



Appendix A
Statement Regarding Accuracy and Completeness
Of the Underlying Data Sources

Items Relied upon During Testing by Milliman

- Numerous spreadsheets outlining the data collection and parsing process.
- Three spreadsheets, in particular, one calculating the necessary rate increase based on the claims experience, a second spreadsheet calculating the historic loss ratio and a third one calculating the future loss ratio.
- Spreadsheets presenting the development of the unit cost portion of the pricing trend rates, including utilization increase assumptions.
- Conversations with Health Net staff discussing the development of the renewal rating process

The sources identified above were relied upon by Milliman, Inc. in preparing this statement of actuarial opinion.

I, Robert F. Kuecks, Vice President of Actuarial Services, hereby affirm that the data sources identified above, and attached to this statement, were prepared under my direction, and to the best of my knowledge are accurate and complete unless otherwise noted below.

7/27/11
Date


Signature



Appendix B

Description of Testing Procedures

Under my direction, we reviewed the entire renewal rating process performed by Health Net Actuarial staff including:

1. Reviewed claims costs trend rates and development of anticipated unit health care cost and utilization increases
2. Reviewed the parsing of data into premium rating cells
3. Reviewed development of projected claims costs and comparison to revenue generated from application of current rates to current enrollment
4. Reviewed proposed rate increase based on comparison of projected loss ratio to target loss ratio
5. Reviewed Health Net recommended rate increases compared to arithmetically derived rate increases.
6. Documented and produced the step-by-step rating methodology and reviewed the correctness of each step.



Appendix C

Description of Data, Assumptions, Rating factors and Methodology

Rating Example for PPO Product

The rating methodology follows this page

Assumptions Used as part of Base Rate Renewal Process

The assumptions used in the rating methodology are included in the Excel file submitted as part of this filing for the California Rate Filing Form. The assumptions are also presented in an attached listing following the rating methodology.

Health Net of California
PPO Rate Buildup Example
Rate Buildup Example
Appendix C - SimpleValue 30

\$213.00

	<u>Member Months</u>	<u>Earned Revenue</u>	<u>Medical Claims</u>	<u>Rx</u>	<u>Dental & Vision</u>	<u>HCC Amount</u>	<u>MLR</u>	<u>Description</u>
1) CY 2010 Experience period data	38,479	\$8,196,121	\$7,512,051	\$496,890	\$178,520	\$8,187,461	100%	Claims and enrollment pulled from mainframe. Parsed into products.
2) Current May 2011 membership	2,062							
3) Average medical claims trend across all service categories			13.2%	12.5%				Medical trend taking into account deductible leveraging and a 2% risk margin
4) Weighted average months of trend from actual month of incurred claims in experience period through center date of rating period			20.93	19.89				Center date of Experience is July 1, 2010. Center date of rating period is April 1, 2012.
5) Trended claims (step1 * (100% + step3) ^ (step4 / 12 months))		\$9,449,322	\$9,322,544	\$603,987		\$9,926,532	105%	2010 dollars trended to the rating period. Revenue is calculated with the the current rates and 2010 membership.
6) Trended claims with current membership (step5 / step1 * step2)		\$506,367	\$499,573	\$32,366		\$531,940	105%	Dollars converted to May 2011 amounts
7) G&A based on current membership as of May 2011					\$62,785			General and administrative expenses
8) Required premium revenue based on current membership						\$680,987		Total expenses inclusive of admin, commissions, tax, and profit
9) Required rate increase						34%		Rate increase needed to cover claims, admin, commissions, tax, and profit
10) Requested 10/1/2011 rate increase						18%		Requested rate increase
11) Expected MLR for rating period based on requested rate increase						89%		Expected loss ratio
12) Estimated commission rate						7.3%		Estimated average commissions including general agent override
13) Premium tax rate						2.35%		Premium tax of 2.35%
14) Formula based profit target						3.0%		Formula based profit target of 3.0%

CALIFORNIA DOCUMENT SUBMISSION FORMSET

Reset Form

California Insurer Number: 3173-2 (NOT NAIC Number)		FOR DEPARTMENT USE ONLY		
Official Insurer Name: Health Net Life Insurance Company		Our File #	Fee Code:	
		Reviewer:		
Submitter and Complete Mailing Address: <small>Paul Sedgwick Director, Regulatory Compliance Health Net Life Insurance Company 11971 Foundation Place Rancho Cordova, CA 95670</small>				
Submission Date: July 27, 2011		Dept Action Date:		
Document Form Number	Doc Type ("Policy," etc)	Document Coverage	Department Action	Fee
1 Individual Rates effective October 1, 2011;	Renewal Rates			
2 For individual policy form # P32301				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
INSTRUCTIONS: Complete the part of the form to the left of the double vertical line. Enter one document to a numbered line. Use additional formsets if necessary. Be accurate - the copy of this form that we return to you will be your only record of our action on your submission. THIS IS NOT A BILL - DO NOT PAY. YOU WILL RECEIVE A SEPARATE FILING FEE INVOICE SHORTLY; REMIT FEES ONLY WITH THAT INVOICE.				Total \$ Cont'd on ___ pages

DSF 1.35

SERFF Tracking Number: HNLI-127341936 State: California
Filing Company: Health Net Life Insurance Company State Tracking Number: PF-2011-01507
Company Tracking Number:
TOI: H16I Individual Health - Major Medical Sub-TOI: H16I.005A Individual - Preferred Provider
(PPO)
Product Name: Salud IFP PPO Rates Effective October 1, 2011
Project Name/Number: /

Attachment "CA PLAIN LANGUAGE SPREADSHEET_CDI.XLS" is not a PDF document and cannot be reproduced here.

	A	B	C	D	E	F	G	H	I
1	CA PLAIN LANGUAGE SPREADSHEET v. 1								
2	Company Name: Health Net Life Insurance Company								
3	Company ID number for this filing: Salud IFP PPO Rates Effective October 1, 2011								
4	SERFF ID number for this filing: HNLI-127341936								
5	For the expense period on which the rates are based, premium attributed to:								
6	Policy Form Numbers	Marketing Names	Medical Costs prior to rate increase	Medical Costs after rate increase	Administrative costs prior to rate increase	Administrative costs after rate increase	Profit/margin projected prior to rate increase	Profit/margin projected after rate increase	Comments
7	P32301	Salud	77%	80%	29.9%	27.0%	-7.1%	-3.6%	

DEPARTMENT OF INSURANCE

Legal Division

45 Fremont Street, 24th Floor
San Francisco CA 94105



**California Plain-Language
Rate Filing Description**
[for Web site posting, Health & Safety
Code 1385.07(d), Insurance Code 10181.7(d)]

Company Name:

Health Net Life Insurance Company

SERFF Tracking Number

HNLI-127341936

Department File Number: (will be completed by Department)

1. Justification for any unreasonable rate increases.

(Include all information as to why the rate increase is justified. Attach supporting documentation to this PDF file.)

N/A

2) Overall annual medical trend factor assumptions for all benefits

14.3%

3) Actual Costs by Aggregate Benefit Category

Hospital Inpatient	Dollar Cost: \$471,000
	Cost as Percentage of Medicare: 180.4%
Hospital Outpatient (including ER)	Dollar Cost: \$360,000
	Cost as Percentage of Medicare: 308.1%
Physician/other professional services	Dollar Cost: \$347,000
	Cost as Percentage of Medicare: 108.3%
Prescription Drug	Dollar Cost: \$159,000
	Cost as Percentage of Average Wholesale Price: 56.1%
Laboratory (other than inpatient)	Dollar Cost: \$96,000
	Cost as Percentage of Medicare: 94.5%

Radiology (other than inpatient)	Dollar Cost: \$125,000
	Cost as Percentage of Medicare: 98.7%
Other (describe)	Dollar Cost and Description: \$77,000 Other Ancillary Providers and costs where we are unable to calculate as a cost as a percentage of Medicare, such as, anesthesiology claims where time units were not available

4) Amount of Projected Trend, by Aggregate Benefit Category, Attributable to Use of Services, Price Inflation, Fees and Risk

Hospital Inpatient	Trend attributable to use of services: 1.9%
	Trend attributable to price inflation: 9.1%
	Trend attributable to fees and risk: 3.0%
Hospital Outpatient (including ER)	Trend attributable to use of services: 4.4%
	Trend attributable to price inflation: 9.2%
	Trend attributable to fees and risk: 3.0%

Physician/other professional services	Trend attributable to use of services: 2.4%
	Trend attributable to price inflation: 5.7%
	Trend attributable to fees and risk: 3.0%
Prescription Drug	Trend attributable to use of services: 2.5%
	Trend attributable to price inflation: 7.6%
	Trend attributable to fees and risk: 2.0%
Laboratory (other than inpatient)	Trend attributable to use of services: 2.4%
	Trend attributable to price inflation: 5.7%
	Trend attributable to fees and risk: 3.0%
Radiology (other than inpatient)	Trend attributable to use of services: 2.4%
	Trend attributable to price inflation: 5.7%
	Trend attributable to fees and risk: 3.0%
Other (describe)	Trend attributable to use of services: 2.4% Trend attributable to price inflation: 7.7% Trend attributable to fees and risk: 3.0%

5) Other Information

Complete and submit the CA Plain Language Spreadsheet.

#630302v7

State: California

State Tracking Number: PF-2011-01507

Company Tracking Number:

*Sub-TOI: H16I.005A Individual - Preferred Provider
(PPO)*

Product Name: Salud IFP PPO Rates Effective October 1, 2011

Project Name/Number: _____ / _____

Attachment "CA RATE FILING SPREADSHEET_CDI.XLS" is not a PDF document and cannot be reproduced here.

	A	B	C	D	E	F	G	H	I	J	K
1	California Rate Filing Spreadsheet, v. 1										
2	Company Name: Health Net Life Insurance Company										
3	Company ID number: Salud IFP PPO Rates Effective October 1, 2011										
4	SERFF ID number for this filing: HNLI-127341936										
					Insured months in each policy form	Experience Period on Which Rates are Based	Period for which rates are to be effective	Total premium earned during the experience period on which the rates are based	Total dollar amount of claims incurred during the experience period on which the rates are based	Average rate increase (weighted average)	
5	Policy Form Number	Product Name	Open or closed?	Enrollment							Comments
6	P32301	Salud	Closed	612	9,411	1/1/10 - 12/31/10	10/1/11 - 9/30/12	\$1,609,370	\$1,242,267	10.0%	

DEPARTMENT OF INSURANCE**Legal Division**

45 Fremont Street, 24th Floor
San Francisco CA 94105



California Rate Filing Form
For Individual and Small Group Health Insurance
Rate Filings for Existing Products, Version 2
(do not use this form for initial filings for new product rates)

The rate filing submission should include:

- 1) This form
- 2) A California Rate Filing Spreadsheet
- 3) An actuarial certification
- 4) A spreadsheet with rate information responsive to Questions 10 & 15, below
- 5) A California Plain-Language Filing Form
- 6) A California Plain-Language Spreadsheet

1) Company Name:

Health Net Life Insurance Company

2) Number of policy forms covered by the filing: 1

3) Policy form numbers covered by the filing:

List all of the policy form numbers covered by this filing in column "A" of the "California Rate Filing Spreadsheet". List all product names associated with each policy form number in column "B."

4) Product types covered by the filing. Selected from the following:

<input type="radio"/>	HMO (Health Maintenance Organization)
<input checked="" type="radio"/>	PPO (Preferred Provider Organization)
<input type="radio"/>	EPO (Exclusive Provider Organization)
<input type="radio"/>	POS (Point of Service)
<input type="radio"/>	FFS (Fee for Service)
<input type="radio"/>	Other (describe) _____

5) Segment type. One of the following:

<input type="radio"/>	Small Group (2-50 employees)
<input checked="" type="radio"/>	Individual

Note: Large Group, Small Group, and Individual filings should not be combined within a single filing.

6) Plan/Insurer Type. One of the following: for-profit company, not-for-profit company

<input checked="" type="radio"/>	For-profit company
<input type="radio"/>	Not-for-profit company

7) Whether the products are open or closed. List each open or closed product by policy form number.

For each policy form number, indicate in column "C" of the California Rate Filing Spreadsheet whether the products are open or closed.

If all policy forms listed are open, check here: ☐

If all products listed are closed, check here: ☒

If only some policy forms listed are closed, check here: ☐

8) Enrollment:

In column "D" of the California Rate Filing Spreadsheet, state the number of lives, including dependents, covered by each product as of the end of the latest month for which the data has been compiled.

9) Insured months in each policy form

In column "E" of the California Rate Filing Spreadsheet, state the number of insured (or member) months for the experience period on which the rates were based. (Does not apply to rates for new products.)

10) Annual Rate

In a separate spreadsheet, for each product included in the filing, show the current and proposed annual premium rates for each rating cell.

11) Total earned premium

For each policy form list:

In column "F" of the California Rate Filing Spreadsheet, state the experience period on which rates are based,

In column "G" of the California Rate Filing Spreadsheet, state the period for which rates are to be effective,

In column "H" of the California Rate Filing Spreadsheet, state the total premium earned for the experience period on which the rates are based.

- 12) In column "I" of the California Rate Filing Spreadsheet, state the total dollar amount of incurred claims in each policy form for the experience period on which the rates are based.

If helpful to understanding the basis for the filed rate increases, the insurer may, but is not required to, disaggregate incurred claim data into the aggregate benefit categories listed in item 18 below.

- 13) In column "J" of the CA Rate Filing Spreadsheet, state the average rate increase initially requested

The weighted average of the proposed rate increases included in the filing, weighting the increases by the number of covered lives for each product (per item 8, above). Rates for new products are not included in this calculation, as they have a weight of zero. (Does not apply to rates for new products.)

- 14) Review category: One of the following:

<input type="radio"/>	Initial Filing for New Product
<input checked="" type="radio"/>	Filing for Existing Product
<input type="radio"/>	Resubmission

Resubmissions should be submitted through SERFF under the same state filing number and SERFF tracking number assigned to the original submission of this filing. Do not submit resubmissions as a new filing.

- 15) Average rate of increase

In those instances in which there is a revision to the rates requested after initial submission, the revision should be submitted as an amendment to the original submission of this filing under the rate/rule form tab. Submit a revised California Rate Filing Form, a revised spreadsheet responsive to Question 10, and a revised California Rate Filing Spreadsheet, completing columns A, B, and J. Also, in the case of a resubmission, update the information under the "company rate information" field under the "Rate/Rule Schedule" tab in SERFF. The average rate of increase is a weighted average, calculated as in item 13, above.

- 16) Effective date of rate increase: October 1, 2011

The earliest anticipated date that the proposed rate increase, or new product rate, will take effect for a policyholder.

- 17) Number of policyholders or insureds affected by each policy form

This information was provided in item 8, above, and need not be repeated.

- 18) Overall medical trend factor and trend factors by aggregate benefit category:

Overall Medical Trend Factor

“Overall” means the weighted average of trend factors used to determine rate increases included in the filing, weighting the factor for each aggregate benefit category by the amount of projected medical costs attributable to that category.

14.3%

Medical Trend Factor by Aggregate Benefit Category

The aggregate benefit categories are each of the following – hospital inpatient, hospital outpatient (including emergency room), physician and other professional services, prescription drugs from pharmacies, laboratory services (other than hospital inpatient), radiology services (other than hospital inpatient), other (describe).

Hospital Inpatient	14.6%
Hospital Outpatient (including ER)	17.4%
Physician/other professional services	11.6%
Prescription Drug	12.5%
Laboratory (other than inpatient)	11.6%
Radiology (other than inpatient)	11.6%
Other (describe)	13.6%

Optional Medical Trend Factor by Aggregate Benefit Category by Geographic Region

The insurer may, but is not required to, aggregate additional data in major geographic regions of the state. If the insurer chooses to so aggregate, the major geographic regions of the state are: Northern California (consisting of Monterey, Kings, Tulare, and Inyo counties, and all counties to the north), and Southern California (consisting of San Luis Obispo, Kern, and San Bernardino counties, and all counties to the south).

	North	South
Hospital Inpatient		
Hospital Outpatient (including ER)		
Physician/other professional services		
Prescription Drug		
Laboratory (other than inpatient)		
Radiology (other than inpatient)		
Other (describe)		

19) Projected medical trend

Use the same aggregate benefit categories used in item 18 –hospital inpatient, hospital outpatient (including emergency room), physician and other professional services, prescription drugs from pharmacies, laboratory services (other than hospital inpatient), radiology services (other than Hospital inpatient), other (describe). Furthermore, within each aggregate category quantify the sources of trend, i.e. use of services, price inflation, and fees and risk.

Projected Medical Trend by Aggregate Benefit Category

Hospital Inpatient	Trend attributable to use of services: 1.9%
	Trend attributable to price inflation: 9.1%
	Trend attributable to fees and risk: 3.0%
Hospital Outpatient (including ER)	Trend attributable to use of services: 4.4%
	Trend attributable to price inflation: 9.2%
	Trend attributable to fees and risk: 3.0%
Physician/other professional services	Trend attributable to use of services: 2.4%
	Trend attributable to price inflation: 5.7%
	Trend attributable to fees and risk: 3.0%

Prescription Drug	Trend attributable to use of services: 2.5%
	Trend attributable to price inflation: 7.6%
	Trend attributable to fees and risk: 2.0%
Laboratory (other than inpatient)	Trend attributable to use of services: 2.4%
	Trend attributable to price inflation: 5.7%
	Trend attributable to fees and risk: 3.0%
Radiology (other than inpatient)	Trend attributable to use of services: 2.4%
	Trend attributable to price inflation: 5.7%
	Trend attributable to fees and risk: 3.0%
Other (describe)	Trend attributable to use of services: 2.4% Trend attributable to price inflation: 7.7% Trend attributable to fees and risk: 3.0%

20) Comparison of claims cost and rate of changes over time

For each proposed rate increase, provide the projected annualized incurred claims cost per insured for the period covered by the proposed rate, the historical incurred claims cost per insured for the most recent 12 months of the experience period on which the rates were based, and the historical incurred claims cost per insured for the next two most recent 12 month periods. Also, compare the rate of change of claims costs over all of the projected and historical periods for which information is provided. Show all claim costs according to aggregate benefit category.

See Appendix A

- 21) Describe any changes in enrollee/insured cost-sharing, compared to the prior year, associated with the submitted rate filing, including both the absolute amount of the change, and the percentage change, and quantify the impact of each change on each of the rates included in the filing. Also describe any changes in benefits exempted from cost-sharing, as well as any newly-imposed cost-sharing.

As mandated under PPACA, Preventive Care benefits were exempted from cost-sharing. There were no other changes in enrollee/insured cost-sharing compared to the prior year.

Based upon our rate filing PF-2010-01968 the average rate change ranges from \$5.94 to \$8.93 and the percentage change ranges from 3.0% to 4.6%.

- 22) Describe any changes in enrollee/insured benefits, including but not limited to hospital inpatient, hospital outpatient (including emergency services), physician and other professional services, laboratory services, radiology services, and other benefits (describe), compared to the prior year, associated with the submitted rate filing, and quantify the impact of each change on each of the rates included in the filing.

Change #1: Removal of lifetime and annual limits for essential benefits.

Change #2: Dependents will be covered up to age 26.

Impact for #1 and #2: 1%

Note: The 1% change in the rates has not been requested.

- 23) Submit the required actuarial certification, described in Guidance 1163:2, under the "Supporting Documentation" tab in SERFF.

☒ Submitted

24) Changes in administrative costs

Administrative costs are the costs defined in Sections 158.150, 158.151, 158.160, and 158.161 of 45 Code of Federal Regulations Subtitle A, Subchapter B, in the interim final rule issued by the Department of Health and Human Services on December 1, 2010 at 75 Federal Register 74924-74926. Using those definitions, describe the administrative costs for the policy forms included in this filing for the year prior to the requested rate increase, then also describe any changes in administrative costs, compared to the prior year, associated with the submitted rate filing, and quantify the impact of each change on each of the rates included in the filing. Changes should be shown separately for the costs defined by each of the sections of Code of Federal Regulations listed above in this item. (Does not apply to rates for new products.)

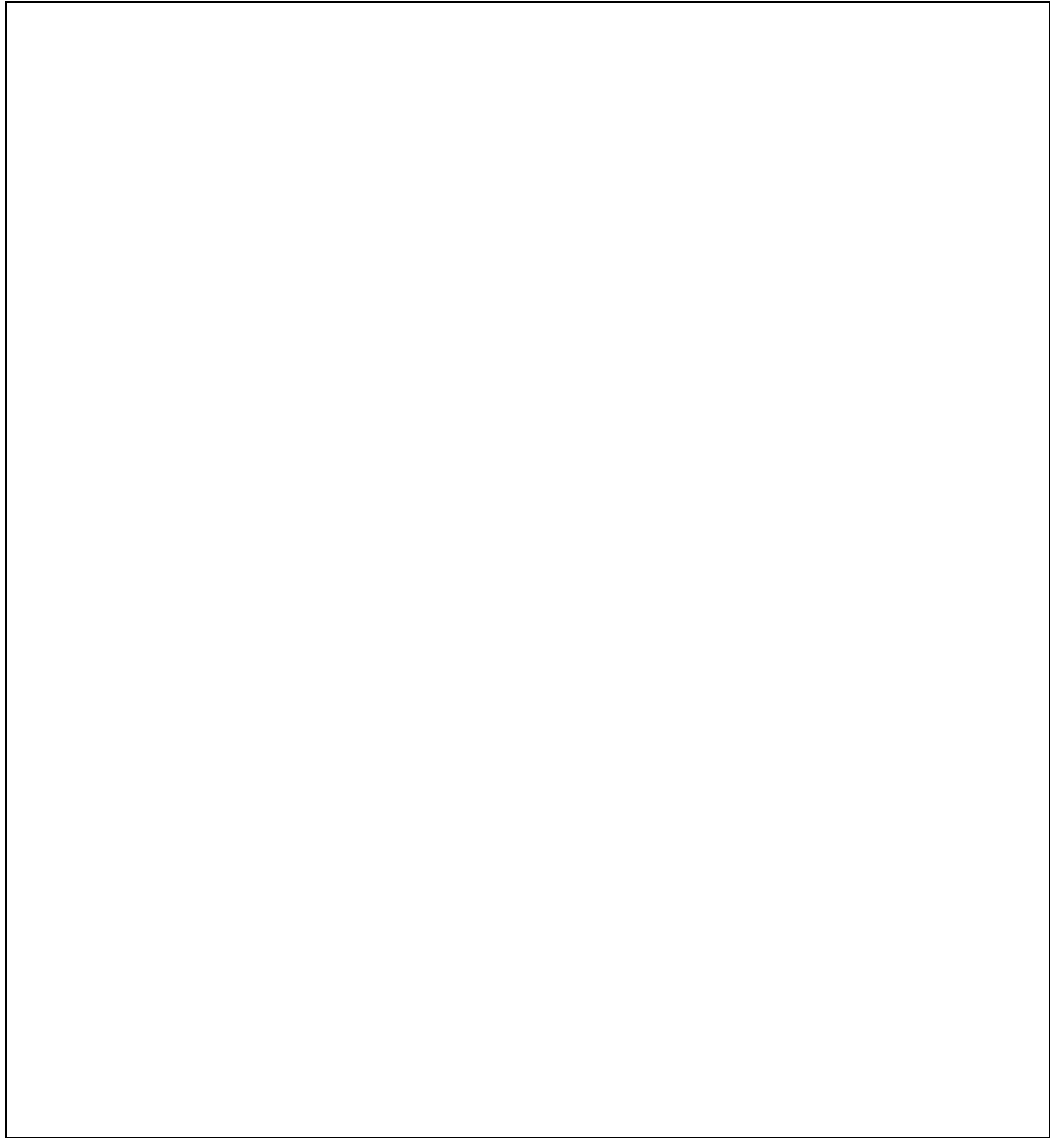
Activities that improve health care quality- costs are projected to be 0.5% of premium for both the current and projected rating periods. (§ 158.150)

Expenditures related to health information technology in meaningful use requirements- until conversion to ICD-10 expenses can be included in this category. Costs will be minimal; estimated at 0.1% of premium for both the current and projected rating periods. (§ 158.151)

Other non-claims costs- costs are projected to be 24.7% of premium for the rating period and 27.6% for the current period. Note that the largest component of these costs are for agent and broker fees and commissions which are paid as a percentage of premium. (§ 158.160)

License and regulatory fees- costs are expected to be 1.3% of premium for the rating period versus 1.1% in the current period. This decrease is due to the impact of income taxes as the company is projecting to earn a loss of 3.6% in the rating period versus a loss of 2.8% in the current period. (§158.161)

26) Comments. Place any needed comments here.

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Appendix A: Comparison of Claims Cost and Rate of Changes Over Time

Health Net Life Insurance Co

Salud Individual & Family Plans - PPO

Policy Form	Plan Grouping	Aggregate Benefit Category	Projected Health Care Costs	Annual Rate of Change	12-month Health Care Costs Ending Dec 2010	Annual Rate of Change	12-month Health Care Costs Ending Dec 2009	Annual Rate of Change	12-month Health Care Costs Ending Dec 2008
P32301	Salud	Hospital Inpatient	\$59.14	14.5%	\$47.93	-16.7%	\$57.57	-26.5%	\$78.29
P32301	Salud	Hospital Outpatient (Including ER)	\$34.74	14.5%	\$28.00	-36.5%	\$44.09	362.9%	\$9.53
P32301	Salud	Physician/Other Prof Services	\$38.93	14.5%	\$31.41	18.1%	\$26.58	13.7%	\$23.38
P32301	Salud	Prescription Drug	\$13.86	12.5%	\$11.42	97.0%	\$5.80	48.2%	\$3.91
P32301	Salud	Laboratory (Other Than Inpatient)	\$3.56	14.5%	\$2.86	5.3%	\$2.72	80.8%	\$1.50
P32301	Salud	Radiology (Other Than Inpatient)	\$8.61	14.6%	\$6.78	101.6%	\$3.36	81.5%	\$1.85
P32301	Salud	Other (Describe)	\$0.78	14.5%	\$0.62	-72.4%	\$2.24	4.3%	\$2.15